



Contact Micaela Dawson, 617-723-2277, ext. 203 or mdawson@pioneerinstitute.org

Muni Reform Results Must Be Real Savings:
Pioneer Urges Conference Committee to Adopt House Reform

BOSTON, MA – As the Conference Committee takes up the budgets from the Legislature, state leaders must address the difficult fiscal pressures in our cities and towns and provide real reform and real savings on municipal health care. While much of the focus on Beacon Hill has been on the positioning of union leaders, they should keep in mind the students, taxpayers and citizens who will benefit from real reforms. The House proposal presents a clear path to savings while minimizing the potential for bureaucratic obstructions.

“Municipal healthcare costs are out of control,” said Steve Poftak, Pioneer’s research director. “They are growing at a rate vastly higher than municipal revenue growth and crowding out other priorities. In most cases, those costs have grown at rates higher than the cost of healthcare for the state’s employees. “

Cost-saving reforms have been available for some time but have failed due to union-led opposition. Decisive action is needed in the form of adopting the House proposal.

The Senate’s approach—communities can negotiate their way to plan design changes or entering GIC but they have to undergo an approval process by a 3 person board (1 appointee from the unions, 1 appointee by the municipality, and 1 by the Secretary of Administration and Finance), provides the opportunity for mischief and also provides lower levels of savings during the first year.

Massachusetts tried the ‘consensus’ approach to reforming municipal healthcare in 2007 [with a 'consensus-driven' bill that had widespread union buy-in](#). It did not work.

“This is a moment of truth for the legislators and advocates who have long demanded more resources for local aid and education,” said Jim Stergios, executive director of the Institute. “It is troubling to see so many of the voices who demand more funds either watering down the efforts to address municipal health care costs, or looking for a comfortable ‘consensus’ so they can say they got ‘something done.’”

It is time for legislators and advocates who continually call for ‘more resources’ crowd to show their commitment to responsibility and support the House proposal.

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[Pioneer Institute](#) is an independent, non-partisan, privately funded research organization that seeks to improve the quality of life in Massachusetts through civic discourse and intellectually rigorous, data-driven public policy solutions based on free market principles, individual liberty and responsibility, and the ideal of effective, limited and accountable government.